Revenue Expenditure.

38. Turning now to the expenditure side I may say provision has been made only for those items of fresh expenditure which are clearly of imperative necessity or which are likely to be immediately remunerative. The paramount necessity for exercising economy in expenditure has weighed with Government so much that the axe has been ruthlessly applied on all items of expenditure which could without impairing the efficiency of the services, be well cut down. The following instances may be cited :—

(*a*) All higher posts which though essential by themselves but the duties of which could without very seriously impairing the efficiency of the departments, be discharged by one officer have been combined by keeping one or other of the posts in abeyance for the time being. To mention but a few instances:— the posts of the Financial Secretary and the Accountant-General have been combined ; the posts of the Public Service Commissioner, Secretary, Stores Purchase Committee and the Controller of Stationery and Printing have also been temporarily combined although it is contemplated to appoint a Public Service Commissioner shortly ; the post of the Registrar of Co-operative Societies has been combined with that of the Land Revenue Commissioner and the post of the Director of Development has been kept in abeyance for the time being. The Technical Assistant in charge will carry on the department concentrating his attention only on such items as the manufacture of ply-wood, toys and bentwood besides continuing the Ascu treatment of timber.

(*b*) The expenditure budgeted on account of Travelling Allowance and contingencies has been examined with zealous care and very substantial cuts have been imposed. Over and above this it is also proposed to prescribe a datum line for the drawing of Travelling Allowance for each of the gazetted officers beyond which they would under no circumstances be allowed to go.

(*c*) New works excepting in so far as they are likely to offer employment to the unemployed labourers have been cut down.

President: Under extraordinary circumstances I have a duty to perform. His Highness the Maharaj Rana of Dholpur is expected here just now and I have to receive him. Somebody has to occupy the Chair in my absence and that can only be done by consent of the two Houses. I trust the hon'ble Houses will have no objection to my asking Mr. S. Chattanatha Karayalar, Deputy President of the Sri Mulam Assembly, to preside. Though he is technically not entitled to do so, I trust the House will have no objection to his presiding.

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(The Dewan-President vacated the Chair which was then occupied by Mr. S. Chattanatha Karayalar, Deputy President of the Assembly).

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(*d*) With the same object in view the usual grant of Rs 2 lakhs to the University for its building programme is also proposed to be limited only to Rs 1 lakh for the time being.

(*e*) To effect a further saving, the balances of certain funds, including the Life Insurance and other reserves for which Government have to pay interest at the rate of $3\frac{1}{2}$ per cent. are proposed to be invested in Banks or Government Paper, so that the State may be relieved of the interest charges which they would otherwise have to bear.

(*f*) Although not mainly for the purpose of effecting a cut in expenditure, the postponement of general elections to the Legislature also contributes its own share in the economy campaign instituted by Government.

It will be seen that each item small in itself nevertheless contributes to a saving of about Rs $4\frac{1}{2}$ lakhs in the total expenditure, a figure which is by no means negligible.

39. With these preliminary remarks I shall now pass on to the details of the expenditure budget.

40. The expenditure budgeted amounts to Rs 271·73 lakhs for the next year while the revised estimate for the current year is only Rs 263·62 lakhs. Honourable members would however recall that I have included a provision of Rs 10 lakhs in the expenditure estimates for war purposes and if the figure is eliminated the expenditure is really Rs 1·89 lakhs less than that of the current year.

It includes provision for expenditure under Palace on the normal scale although full amount is rarely spent. It provides for the revival of the full complement of the Judges in the High Court (Rs ·10 of a lakh). It includes extra provision calculated to afford full scope for primary and secondary education (Rs 1·15 lakhs). It allows sufficient margin for the increase in cost of prices of stationery (Rs ·20 of a lakh). It also provides funds to carry on all works in the Public Works Department without break so as to give facilities for relieving unemployment. Provision is made for taking census next year (Rs ·75 of a lakh). Notwithstanding the excess arising on account of these factors the net decrease in the expenditure budgeted for the next year should be attributed mainly to the measures of retrenchment referred to by me just now.

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NEW ITEMS OF EXPENDITURE.

41. It is now my duty to explain to the House what new features, what special provision for expenditure on new services I have included in the Budget. In doing so, I shall allocate the provision under four broad categories, however illogical the classification might appear,

(i) services employed in collection of revenue ;
(ii) services for maintenance of law and order ;
(iii) services for nation building activities and development of the economic resources ;
(iv) other items.

The provision made under each of these items is as follows :

	Expenditure on new items budgeted Rs. in lakhs.
Collection services	2·15
Defence and Maintenance of Law and Order ..	2·17
Nation Building and development services ...	3·07
Other services ...	1·23

42. It will be unnecessary for me to detail all the provisions included either under collection services or under law and order. I shall merely state that the existing arragements consistent with considerations of economy only are continued, *e. g.*, registry of puduval lands, Jenmikaram settlements, opening of a District Court at Mavelikara, of certain Sub-registry offices in response to public demand and so forth. Otherwise no radical readjustment of policy has been made. But a word about the Forest may be said in this connection. In accordance with the proceedings of Government issued on the Royalties Committee's Report the whole area of the State has been roughly divided into three Tracts for the purpose of the exploitation of royal trees on private lands. The work in respect of the first two tracts has been completed and Government have already relinquished their rights to royalties in those parts. The work remaining to be done besides settlement of Government rights in the third tract is

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the settlement of numerous kudivila claims on Royal trees removed from private lands backed by a number of joint *mahazars*. The budget provides an amount of Rs 5,900 for the work. As already observed by me in dealing with forest receipts the time has come for thoroughly investigating and studying the conditions of reserves with the object of preparing a revised working plan for the guidance of the department in timber exploitation and regenerative operations. Provision is accordingly made for the continuance of a working plans officer. Under the auspices of our University a forestry course has also been opened and Government have deputed five junior officers of the department to undergo the course.

DEVELOPMENT SERVICES.

(a) *Nation Building Services.*

43. But the budget in respect of the nation building and other development services cannot be disposed of summarily. The primary concern of any enlightened progressive and sympathetic administration is to make its sons and daughters a band of healthy and well-educated citizens. That Travancore holds a high place in the matter of education among other countries in India is a point which is now universally accepted. If the amount spent on education were to be the measure of the progress of the country, it will be conceded that the education budget is easily the biggest. It makes a demand of at least 20 per cent. of the revenue of the State. The year's education budget is Rs 51·94 lakhs against the revised estimate of Rs 51·32 lakhs thus representing an increase of Rs ·62 of a lakh which is about the measure of the annual progress we make in our primary and secondary education in the country. That our infant University is developing on right and national lines will be evident from the recognition its degree has received for the purpose of the Indian Civil Service Examination in the United Kingdom and the Government of India Examinations.

44. Equally prominent mention should be made of the activities of the Medical and Health Departments in promoting the health and happiness of the people. The medical budget provides for as much as Rs 16,000 for new items of expenditure which include more nursing facilities and tuberculosis and leprosy survey. Another sum of Rs 2,000 is also included for radium treatment.

Under Ayurveda provision is made for Panchakarma treatment.

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The question of utilising the services of a large number of unemployed but highly qualified medical diploma holders has been a problem for Government. They have come to the conclusion that a corps of volunteers of young men and women should be enlisted for practical training before they are actually offered appointments in State or private hospitals. They have accordingly selected seven men and three women for training for one year, and Government hope that besides eventually improving the tone of the medical department the scheme would serve the purpose of giving an opportunity for the youth of the country to be of service to the State.

45. Under the Health Department provision is made for preventive measures for control of filariasis in Shertallai and the surrounding area and for the organisation of the health scheme with special emphasis on modern public health methods including the registration of vital statistics and the control of communicable diseases.

46. Public works is also a subject which comes within the scheme of a progressive programme. Although the budget provides for a total expenditure of Rs 33·33 lakhs mention should be made of the constitution of Public Works Department Advisory Committee which is to advise on Government's programme of Public works including urban and rural communications generally and to help to formulate a long term plan for carrying out, in the proper order of priority and with advertence to the financial resources available to the Department, a scheme for bringing into existence, maintaining and renovating adequate means of communication by land and water to serve the interests of the State. The Committee will further advise on programmes of irrigation, water supply, drainage, the relief of water scarcity and such other problems as are placed before it at the instance of Government or the Department.

47. Another special feature is, certain works round about the Alleppey area are proposed to be undertaken with a view to giving employment to the unemployed factory labourers.

(b) *Development services.*

48. The next need of an efficient and civilised administration is the improvement of its resources and the contentment of its masses. Improvement of methods of cultivation of land and preservation of all the agricultural and cattle wealth of the country are the chief forms which the fulfilment of the object takes. Encouragement of industry as hand-maid to agriculture is also one other form and the contentment of the masses is secured by several uplift works of a socio-economic nature.

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49. As Honourable members are already well aware, Agriculture is a department of Government on which so much is being done and so much has still to be done. I shall mention a few.

(*a*) Propaganda branch of the Agricultural Department has been reorganised and attention is now directed towards securing rural development at one centre in each taluk so that it may radiate improved agricultural practices in course of time.

(*b*) With a view to multiplying and distributing improved varieties of sugarcane and for demonstrating scientific methods of cultivating sugarcane, extracting juice and manufacturing jaggery, a sugarcane sub-station is proposed to be opened at a suitable site near Thiruvella which is the centre of an extensive sugarcane growing tract. The feasibility of using electricity for irrigation purposes and for crushing cane will also be demonstrated at the station.

(*c*) It is also proposed to open a farm in South Travancore near Cape Comorin for the experimental cultivation of dry crops such as cholam, tenai, cotton, pulses etc.

(*d*) The Imperial Council of Agricultural Research has sanctioned a grant of Rs 14,600 spread over a period of three years in the first instance for the improvement of paddy in the State, and as under the Council's rules of procedure the State has to bear half the cost of the scheme, a provision of Rs 3,640 has been made in the next year's budget for the first year's investigation under the scheme.

(*e*) For treating the ordinary ailments of cattle and assisting at the carrying out of cattle improvement schemes, provision has been made for the appointment of half a dozen stockmen in the department.

(*f*) A new veterinary dispensary in addition to those already in the State is proposed to be opened at Pangode.

50. *Cottage Industries.* The policy of Government in the matter cannot be better expressed, Sir, than in your own words.

"I am not one of those who disregard or view with disdain factory production. I am not one of those who wish to go back to pre-historic epochs. One thing electricity has done; it has decentralised industry. Before electricity became easily available, industries had a tendency to concentrate in towns with the result of adding to crowding and evils arising from town life. The transmission of electricity over long distances has made it possible for great industries to

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thrive apart from centres of dense population. I am looking forward in Travancore, not merely to the rise of huge industrial centres, but to a network of cottage industries and middle-sized factories."

A provision of Rs 17,400 for direct aid to cottage industries has been made in the budget and this is in addition to the liberal loan policy for financing the industrialists.

51. Prospecting the rich mineral resources like mica, graphite, lime stone &c., which bountiful nature has endowed this country in abundance is one of the first steps necessary for the development of the resources of the country and this question has accordingly been of late receiving very great and deserving attention. An impetus was given to the work when Dr. Gillson, a well known American geologist and an Indian Professor undertook to inspect the work and prescribed the lines on which the work should be carried on. A provsion of Rs 21,200 has been included in the budget and investigation in the direction will be carried on in four places in Neyyattinkara Taluk and Vattiyurkavu in Trivandrum. We have already obtained the assurance that limestone available in our State will be enough to cater to the cement requirements of our State for many years to come.

Socio-economic measures.

52. To secure the contentment of the masses, apart from the socio-economic measures intended primarily for the upliftment of the depressed and the distressed, Government are endeavouring in various other directions. I shall take up the socio-economic measures first.

53. *Uplift of backward communities.* A separate department for the uplift of backward communities is functioning in the State for the past 15 years and has been doing useful work. An amount of Rs 35,000 is earmarked for this department for this year over and above the usual provision of Rs 7,500. The activities include, assignment of land for house sites and cultivation, collective acquisition of raw materials for buildings, educational concessions in schools and colleges, sinking wells in Harijan colonies and putting up of common buildings for social and religious congregations of these people.

54. *Co-operation.* Extension of co-operative facilities is another form which this form of uplift takes.

Provision has been included in the budget for the Co-operative department as usual for development of non-official co-operative efforts by issue of loans and grants to co-operative institutions. Provision has also been made for giving loans to deserving societies. Non-credit amenities are given

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an impetus by way of grants with a view to developing co-operative mentality. An amount of Rs 500 has also been earmarked for societies engaged in the development of cottage industries for advertisement and propaganda.

RELIEF OF DISTRESS.

55. In view of the present condition of factory labour and their poverty and unemployment, Government propose to set apart a sum of Rs 5 lakhs from out of their revenue surplus to be credited to a fund which would bear the title "Distress Relief Fund." The amount at credit will be available for providing work in the various public undertakings of Government and to give relief, in co-operation wherever possible with the employers, to those in real distress until employment is found for them. Such relief, will take the form of a grant of rice. A small committee consisting of some of the local officers and one or two non-officials representing organised labour and the employers respectively will be in charge of the work.

RURAL UPLIFT.

56. Another direction in which Government have for some time been endeavouring to secure the happiness of the people is under Rural Uplift. The cry "back to the villages" which we often hear elsewhere has happily for the State never been heard here. This State is more rural than urban and it has been the declared policy of Government to develop rural areas. With this object in view, seven Village Panchayats were established under the Village Panchayat Act VII of 1100. Twenty-six Village Unions have since been newly constituted in selected localities in 26 taluks as the first instalment of a scheme for rehabilitating the Panchayat system. It is the desire of the Government to extend the scope of the scheme to as many villages as possible. They have accordingly allowed a liberal provision of Rs 60,000 under the head.

57. Government have also been fully alive to the presistent cry for more dispensaries and hospitals in rural parts and although considerations of finance have prevented them from embarking on a very ambitious policy, they feel that something should be done and it is accordingly proposed to send such of the energetic, enterprising of the unemployed medical men available to open dispensaries in the area covered by each Village Panchayat Union and themselves to finance such dispensaries in part leaving the balance to be met by the Panchayat Committees. It is also considered important that the contribution of Government should be in the shape of

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drugs and medicines and not cash. For the present, it is proposed to start the system with four Panchayats. I have already spoken to you of the directions in which the Veterinary Department will be serving the country including the villages. With a self-contained scheme for relief and development in all directions, it is hoped that villages will become self-sufficient although not isolated.

Other Services.

58. Under this category prominent mention should be made of the Census operations. The decennial census is proposed to be conducted early in 1941 and *inter alia* enquiries bearing on cottage industries, fragmentation of agricultural holdings, tobacco consumption etc. will be conducted. The existing revenue staff will, as far as possible, be utilised for the work. An amount of Rs 75,000 has been budgeted for the next year.

Provision is made for minting Chitra coins to the extent of Rs 4 lakhs.

59. *Control of Prices.* In an earlier part of the speech, I stated that the prices which exhibited a tendency to rise as a result of the war was brought under control.

Food control was one of the measures taken by Government for control of prices as well as keeping the supply in the country adequate to meet all needs, ordinary as well as extraordinary. A supply of 1·8 lakhs of sacks of rice was imported from Burma and was issued to merchants at an amount less than the market price; and the issue price was also regulated so that rice may be available to the poor at ordinary rates. The accounts of the operations have not been finally settled but the entire supply with the exception of about a few thousand sacks has been sold out. Provision is made for the final adjustment being carried out in the next year's budget.

Loans to Agriculturists.

60. Besides the legislation intended for relieving agricultural indebtedness, another direction in which the lot of the agriculturists is proposed to be bettered is by following a more rational and well controlled policy in the matter of giving them loans. Government have felt that the work done by the old Land Mortgage Bank has not gone far into the root of the matter. They have accordingly instituted the Credit Bank with powers to grant loans in really deserving cases on liberal terms, retaining with them the requisite power for supervision and general control. With a view to the Bank

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